

Washington Produce Rail Car Pool



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The Washington Produce Rail Car Pool project is a program created to assist the agricultural community by providing refrigerated rail cars that carry Washington grown produce to east coast states.

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Washington Produce Rail Car Pool

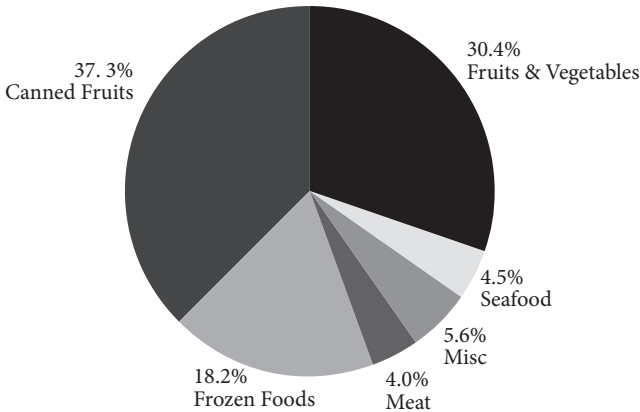
What is the Washington Produce Rail Car Pool Program?

The Washington Produce Rail Car Pool Program was created in 2003 by the state legislature. It carries Washington State produce to eastern states in refrigerated rail cars. Thirty cars are currently active in the pool, with the option to be expanded to 50 cars as the program grows.

The Produce Rail Car Pool Program began service in August 2006. Since the start of the program, 638 refrigerated rail car shipments have been made.

What types of products do the railcars carry?

Over 37 percent of the shipments made have been canned fruits. Thirty percent were fruits & vegetables. Frozen foods made up 18 percent, while seafood & meat made up 4.5, and 4.0 percent respectively.



Washington Produce Rail Car Pool Program

The pool is designed to assist the agricultural community by:

- Opening new markets for Washington State produce;
- Serving Washington shippers by relieving a shortage of long-haul trucks, and;
- Serving taxpayers by reducing wear and tear on highways caused by heavy trucks.

Why do Washington growers and shippers need this service?

Washington’s produce business suffers from transportation issues not faced by other states. Not only must Washington’s fruit and produce travel one of the longest paths to reach midwest and east coast markets, but economic factors deter refrigerated trucks from coming to the state. The result is that Washington’s shippers face high transport costs and a chronic lack of refrigerated railcars to transport produce to east coast and midwest markets.

How does Washington State benefit?

The project helps rural economies in Washington State by ensuring that produce farmers will be able to generate steady income from their crops.

How do taxpayers benefit?

At full capacity, the Produce Rail Car program would eliminate hundreds of heavy truckloads per year from Washington State highways. This would reduce highway maintenance expenses and congestion and improve safety.

Studies reveal that rail transportation is three times more fuel-efficient than truck transportation for hauling freight. Consequently, less fossil fuel will be consumed and air quality will improve by diverting these long-haul produce shipments off the highways and onto railroads. Each 57-foot refrigerated railcar holds just over two truck loads of fruit and nearly three truckloads for onions and potatoes.



How does the program work?

WSDOT has contracted with Rail Logistics, LC, to provide the refrigerated rail cars and to manage their usage. Rail Logistics refurbish and provide up to 50 rail cars. Additionally, they provide management, marketing, tracking, servicing, cleaning and other services. The State pays Rail Logistics \$1,000 per month to lease the cars, plus \$30 per car, per month to manage the fleet. They pay the State \$750 per load shipped and any demurrage charges incurred by shippers and retain the rest. Shippers contact Rail Logistics directly to reserve a car, and Rail Logistics makes all the arrangements for the shipper.

How is the program funded?

The program is funded with \$2 million in federal grants and \$40,000 in state transportation funds.

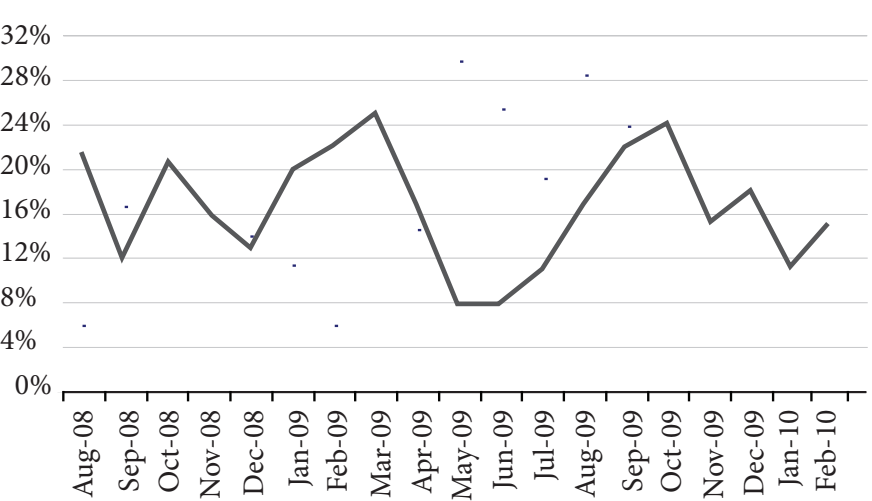
How is the Produce Rail Car Pool performing?

Since it began operation in 2006, the Washington Produce Railcar Pool has been growing modestly. The graph above indicates the fleet utilization based on the percentage of shipments to the number of cars in the fleet for each month. March 2009 recorded the highest

Frozen raspberries being loaded onto a “Cold Train” bound for a food processing plant.



Produce Rail Car Fleet Utilization



level of utilization at 83 percent, with 25 loads shipped out of a fleet of 30 cars. In May and June of 2009 utilization decreased to 26 percent due to the downturn of the economy. This resulted in eight loads being shipped for each month.

As of January 2010 the Produce Rail Car Pool program has generated \$407,117 in revenue. The cost of the program – including state and federal funds – totals \$1,305,783.

A worker inspects a refrigerated rail car.

